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MEMORANDUM FOR THE RECORD

Event: **Chas Freeman**

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Team Numbers: One (al-Qa'ida) and Three (Counterterrorism Policy)

Location: 2100 K Street

Participants – Commission: Daniel Byman and Tom Dowling

Interviewee Background

Ambassador Freeman spent much of his career in the Foreign Service working on China and Africa. He had no record on the Middle East, which he noted was an advantage in confirming him as Ambassador to Saudi Arabia in 1989. However, he quickly learned Arabic. After leaving his position as Ambassador at the end of the first Bush administration, Ambassador Freeman became an Assistant Secretary of Defense in the Clinton administration, where he often worked on Saudi issues in the context of military sales. On October 31, 1994, Ambassador Freeman left the U.S. government and became Chairman of Projects International. He is also the President of the Middle East Policy Council, which requires regular trips to the Persian Gulf for fundraising. While there, he meets with many senior Saudi officials. (U)

Stability in Saudi Arabia

In Freeman's eyes, the principal problem in Saudi Arabia is the fiscal crisis. In the past, medical care, education, and other benefits were also free. However, the tremendous population growth has led to a collapse in the Saudi welfare state. (U)

Freeman believes another major problem for the Saudi economy is that there is no link between private prosperity and government revenue. Even successful businesses consume considerable government services, but there is no taxation to offset this cost to the state. Thus, private prosperity means public bankruptcy. Corruption is another problem. The merchant community in Jeddah wants corruption reined in (not abolished, which is not realistic). The Kingdom also needs a tax system. Such a system, however, will doom the current paternalistic system, which excludes the people from decision making but makes no other demands on them. (U)

The Crown Prince recognizes the need for such changes.

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[REDACTED] Increasing numbers of Saudis also recognize the need for change. (U)

Freeman described the Saudi perception of government as mixed. The royal family has a high level of legitimacy, and many Saudis are loyal to individual members, particularly

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the Crown Prince.

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Support for religious radicals is concentrated in two areas geographically. First, in the Qasim and Burayda area, there are extremists who in general are not antagonistic to the monarchy. The real problem is in the southwest of the country. There, the ideology is much more akin to Egypt's Muslim Brotherhood than to traditional "Wahhabi" teachings. Most of the al-Qa'ida footsoldiers and violent Imams come from this area. In general, the Saudis are harsh on dissidents – it does not make sense that they would coddle al-Qa'ida. (U)

The May bombings created popular pressure for the regime to do something. The bombers deliberately targeted Saudis with Western pretensions. The regime probably does not feel particularly threatened by al-Qa'ida but is responsive to the public's desire for security. (U)

The Saudi-U.S. Relationship

Any succeeding government to the current leaders would probably be violently anti-American, in Freeman's opinion. There is a perceived persecution of Islam in the United States. Moreover, there is an end of "human ties" between Saudi Arabia and the United States due to the curtailment of travel and visa restrictions. Many Saudis are selling homes in the United States, and most now seek education elsewhere. Saudi youth are violently anti-American. "Ten seconds of Fox TV" undoes all U.S. efforts at public diplomacy. (U)

The Saudi regime is trying to dilute its dependence on the United States. Although Freeman contends it recognizes the need for solid ties with Washington, he notes Riyadh is also reaching out to China, Russia, the EU, and other powers to offset the United States. (U)

The Saudis can play several roles in helping the war on terror, in Freeman's opinion. First, they can help U.S. law enforcement efforts. Second, the Saudis are generous donors to Islamic causes. They can thus provide a "firebreak" to prevent the spread of radical ideas. (U)

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When Freeman was Ambassador, he talked to the World Muslim League about the diversion of funds in support of terrorism. A mosque the Saudis supported in Birmingham, England, had diverted funds to the FIS via the PIRA. There is a fundamental problem the Saudis face, in that you are encouraged to give anonymously to avoid placing an obligation on someone. In addition, auditing a "gift" detracts from the generous intent. Thus, an organization like al-Qa'ida can easily seize control of local chapters of a charity. Moreover, the Saudis lack managerial capacity at the middle level. (U)

Recommendations

Freeman proposes several changes:

- First, the U.S. government should improve the visa system. More names to the forms should be added in order to distinguish among the many "Abdullah bin Mohammeds." Technical means should also be used to cut the wait.
- Second, the United States should implement a national identity system, so we better know who is who.
- Third, the war on terrorism should be seen primarily as a law enforcement and intelligence war, not as a military one. (U)

Freeman also noted that the United States has overreacted to September 11. As a result, the U.S. is less attractive to the rest of the world and has lost its capacity to inspire. (U)

Miscellany

The United States did not discuss disengagement from Afghanistan with the Saudis. The Saudis wanted a right-wing government in Kabul. The issue of religious extremism in the Kingdom was primarily discussed with regard to the mutawaeen's abuse of Westerners in the Kingdom. (U)

Bin Ladin was on Freeman's radar screen during his time as Ambassador. Bin Ladin did approach the King with the offer of support against Iraq if the Americans were sent home. Bakr bin Ladin was sent to Khartoum to rein in his brother, and an uncle was sent as well. Both reported it was hopeless, so his citizenship was stripped. (U)

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